

**Offering Circular Supplement  
(To Base Offering Circular dated March 1, 2000)**

**\$300,000,000**

**Government National Mortgage Association  
GINNIE MAE®**



**Guaranteed REMIC Pass-Through Securities  
and MX Securities  
Ginnie Mae REMIC Trust 2001-54**



**The securities may not be suitable investments for you. You should consider carefully the risks of investing in them.**

**See "Risk Factors" beginning on page S-7 which highlights some of these risks.**

**The Securities**

The Trust will issue the classes of securities listed on the inside front cover.

**The Ginnie Mae Guaranty**

Ginnie Mae will guarantee the timely payment of principal and interest on the securities. The Ginnie Mae Guaranty is backed by the full faith and credit of the United States of America.

**The Trust and its Assets**

The Trust will own Ginnie Mae Certificates.

The Sponsor and the Co-Sponsor will offer the securities from time to time in negotiated transactions at varying prices. We expect the closing date to be November 30, 2001.

You should read the Base Offering Circular as well as this Supplement.

The securities are exempt from registration under the Securities Act of 1933 and are "exempted securities" under the Securities Exchange Act of 1934.

**CREDIT SUISSE FIRST BOSTON**

**BLAYLOCK & PARTNERS, L.P.**

The date of this Offering Circular Supplement is November 21, 2001.

## Ginnie Mae REMIC Trust 2001-54

The Trust will issue the classes of securities listed in the table below. If you own exchangeable securities identified in the table, you can exchange them for the corresponding MX Securities, and vice versa.

Class of REMIC Securities	Original Principal Balance(2)	Interest Rate	Principal Type(3)	Interest Type(3)	Final Distribution Date(4)	CUSIP Number
<b>Security Group 1</b>						
AE(1) .....	\$215,055,680	5.50%	SEQ	FIX	September 2024	38373RK81
AI(1) .....	33,085,489	6.50	NTL(SEQ)	FIX/IO	September 2024	38373RK99
B .....	500,000	6.25	SEQ	FIX	February 2025	38373RM97
BA .....	500,000	6.25	SEQ	FIX	October 2024	38373RL23
BC .....	500,000	6.25	SEQ	FIX	October 2024	38373RL31
BD .....	500,000	6.25	SEQ	FIX	October 2024	38373RL49
BE .....	500,000	6.25	SEQ	FIX	November 2024	38373RL56
BF .....	500,000	6.25	SEQ	FIX	November 2024	38373RL64
BG .....	500,000	6.25	SEQ	FIX	November 2024	38373RL72
BH .....	500,000	6.25	SEQ	FIX	December 2024	38373RL80
BI .....	500,000	6.25	SEQ	FIX	December 2024	38373RL98
BJ .....	500,000	6.25	SEQ	FIX	December 2024	38373RM22
BK .....	500,000	6.25	SEQ	FIX	January 2025	38373RM30
BL .....	500,000	6.25	SEQ	FIX	January 2025	38373RM48
BM .....	500,000	6.25	SEQ	FIX	January 2025	38373RM55
BN .....	500,000	6.25	SEQ	FIX	January 2025	38373RM63
BP .....	500,000	6.25	SEQ	FIX	February 2025	38373RM71
BQ .....	500,000	6.25	SEQ	FIX	February 2025	38373RM89
BT .....	500,000	6.25	SEQ	FIX	March 2025	38373RN21
BU .....	500,000	6.25	SEQ	FIX	March 2025	38373RN39
BV .....	500,000	6.25	SEQ	FIX	March 2025	38373RN47
BW .....	444,320	6.25	SEQ	FIX	March 2025	38373RN54
IO .....	382,473	6.50	NTL(SEQ)	FIX/IO	March 2025	38373RN62
Z .....	25,000,000	6.50	SEQ	FIX/Z	November 2031	38373RN70
<b>Security Group 2</b>						
FA .....	50,000,000	(5)	PT	FLT	November 2031	38373RN88
SB(1) .....	50,000,000	(5)	NTL(PT)	INV/IO	November 2031	38373RN96
ST(1) .....	50,000,000	(5)	NTL(PT)	INV/IO	November 2031	38373RP29
<b>Residual</b>						
RR .....	0	0.00	NPR	NPR	November 2031	38373RP37

- (1) These securities may be exchanged for the MX Securities described in Schedule I.
- (2) Subject to increase as described under “Increase in Size” in this Supplement. The amount shown for each Notional Class (indicated by “NTL” under Principal Type) is its original Class Notional Balance and does not represent principal that will be paid.
- (3) As defined under “Class Types” in Appendix I to the Base Offering Circular. The type of Class with which the Class Notional Balance of each Notional Class will be reduced is indicated in parentheses.
- (4) See “Yield, Maturity and Prepayment Considerations — Final Distribution Date” in this Supplement.
- (5) See “Terms Sheet — Interest Rates” in this Supplement.

## AVAILABLE INFORMATION

You should purchase the securities only if you have read and understood the following documents:

- this Supplement and
- the Base Offering Circular.

The Base Offering Circular is available on Ginnie Mae's website located at <http://www.ginniemae.gov>.

If you do not have access to the internet, call The Chase Manhattan Bank, which will act as information agent for the Trust, at (800) 234-GNMA, to order copies of the Base Offering Circular.

Please consult the description of Class Types included in the Base Offering Circular as Appendix I and the Glossary included in the Base Offering Circular as Appendix II for definitions of capitalized terms.

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**TERMS SHEET**

This terms sheet contains selected information for quick reference only. You should read this Supplement, particularly “Risk Factors,” and each of the other documents listed under “Available Information.”

**Sponsor:** Credit Suisse First Boston Corporation

**Trustee:** State Street Bank and Trust Company

**Tax Administrator:** The Trustee

**Closing Date:** November 30, 2001

**Distribution Dates:** For the Group 1 Securities, the 20th day of each month or, if the 19th day or the 20th day is not a Business Day, the first Business Day following the 20th day of each month, commencing in December 2001; provided, however, if Ginnie Mae converts to the book-entry system maintained by the U.S. Federal Reserve Banks as described in “Description of the Securities — Form of the Securities” below, the Distribution Date for the Group 1 Securities will be the 20th day of each month or, if the 20th day is not a Business Day, the first Business Day thereafter. For the Group 2 Securities, the 16th day of each month or, if the 16th day is not a Business Day, the first Business Day thereafter, commencing in December 2001.

**Trust Assets:**

<u>Trust Asset Group</u>	<u>Trust Asset Type</u>	<u>Certificate Rate</u>	<u>Original Term To Maturity (in years)</u>
1	Ginnie Mae II	6.5%	30
2	Ginnie Mae I	7.5%	30

**Security Groups:** This Series of Securities consists of multiple Security Groups, as shown on the inside front cover of this Supplement and on Schedule I to this Supplement. Payments on each Security Group will be based solely on payments on the Trust Asset Group with the same numerical designation.

**Assumed Characteristics of the Mortgage Loans Underlying the Trust Assets<sup>1</sup>:**

<u>Principal Balance<sup>2</sup></u>	<u>Weighted Average Remaining Term to Maturity (in months)</u>	<u>Weighted Average Loan Age (in months)</u>	<u>Weighted Average Mortgage Rate<sup>3</sup></u>
<b>Group 1 Trust Assets</b> \$250,000,000	357	3	7.28%
<b>Group 2 Trust Assets</b> \$50,000,000	344	13	8.00%

<sup>1</sup> As of November 1, 2001.

<sup>2</sup> Does not include Trust Assets that will be added to pay the Trustee Fee.

<sup>3</sup> The Mortgage Loans underlying the Group 1 Trust Assets may bear interest at rates ranging from 0.5% to 1.5% per annum above the related Certificate Rate.

The actual remaining terms to maturity, loan ages and, in the case of the Group 1 Trust Assets, Mortgage Rates of many of the Mortgage Loans will differ from the weighted averages shown above, perhaps significantly. See “The Trust Assets — The Mortgage Loans” in this Supplement.

**Modification and Exchange:** If you own exchangeable Securities you will be able, upon notice and payment of an exchange fee, to exchange them for a proportionate interest in the related Securities shown on Schedule I to this Supplement. See “Description of the Securities — Modification and Exchange” in this Supplement.

**Increased Minimum Denomination Classes:** Each Class that constitutes an Interest Only Class. See “Description of the Securities — Form of Securities” in this Supplement.

**Interest Rates:** The Interest Rates for the Fixed Rate Classes are shown on the inside cover page of this Supplement or on Schedule I to this Supplement.

The Floating Rate and Inverse Floating Rate Classes will bear interest at per annum rates based on one-month LIBOR (hereinafter referred to as “LIBOR”) as follows:

Class	Interest Rate Formula(1)	Initial Interest Rate(2)	Minimum Rate	Maximum Rate	Delay (in days)	LIBOR for Minimum Interest Rate
FA	LIBOR + 0.36%	2.714%	0.36%	7.50%	0	0.00%
SA	7.14% - LIBOR	4.786%	0.00%	7.14%	0	7.14%
SB	7.00% - LIBOR	4.646%	0.00%	7.00%	0	7.00%
ST	7.14% - LIBOR	0.140%	0.00%	0.14%	0	7.14%

(1) LIBOR will be established on the basis of the BBA LIBOR method, as described under “Description of the Securities — Interest Distributions — Floating Rate and Inverse Floating Rate Classes” in this Supplement.

(2) The initial Interest Rate will be in effect during the first Accrual Period; the Interest Rate will adjust monthly thereafter.

**Allocation of Principal:** On each Distribution Date for a Security Group, the following distributions will be made to the related Securities:

#### SECURITY GROUP 1

**Sequential Pay** { A percentage of the Group 1 Principal Distribution Amount will be applied to the Trustee Fee, and the remainder of the Group 1 Principal Distribution Amount (the “Group 1 Adjusted Principal Distribution Amount”) and the Accrual Amount will be allocated to AE, BA, BC, BD, BE, BF, BG, BH, BI, BJ, BK, BL, BM, BN, BP, BQ, B, BT, BU, BV, BW and Z, in that order, until retired

#### SECURITY GROUP 2

**Pass-Through** { A percentage of the Group 2 Principal Distribution Amount will be applied to the Trustee Fee, and the remainder of the Group 2 Principal Distribution Amount (the “Group 2 Adjusted Principal Distribution Amount”) will be allocated to FA, until retired

**Accrual Class:** Interest will accrue on the Accrual Class identified on the inside front cover of this Supplement at the per annum rate set forth on that page. However, no interest will be distributed to the Accrual Class as interest. Interest so accrued on the Accrual Class on each Distribution Date will constitute the Accrual Amount, which will be added to the Class Principal Balance of that Class on each Distribution Date and will be distributable as principal as set forth in this Terms Sheet under “Allocation of Principal.”

**Notional Classes:** The Notional Classes will not receive distributions of principal but have Class Notional Balances for convenience in describing their entitlements to interest. The Class

Notional Balance of each Notional Class represents the percentage indicated below of, and reduces to that extent with, the Class Principal Balance indicated.

<u>Class</u>	<u>Original Class Notional Balance</u>	<u>Represents Approximately</u>
AI .....	\$33,085,489	15.3846153846% of AE (SEQ Class)
IO .....	\$ 382,473	3.8461538462% of BA, BC, BD, BE, BF, BG, BH, BI, BJ, BK, BL, BM, BN, BP, BQ, B, BT, BU, BV and BW (in the aggregate) (SEQ Classes)
SA .....	\$50,000,000	100% of FA (PT Class)
SB .....	\$50,000,000	100% of FA (PT Class)
ST .....	\$50,000,000	100% of FA (PT Class)

**Tax Status:** Double REMIC Series. See “*Certain Federal Income Tax Consequences*” in this Supplement and in the Base Offering Circular.

**Regular and Residual Classes:** Class RR is a Residual Class and includes the Residual Interests of the Issuing REMIC and the Pooling REMIC; all other Classes of REMIC Securities are Regular Classes.

## RISK FACTORS

*You should purchase securities only if you understand and are able to bear the associated risks. The risks applicable to your investment depend on the principal and interest type of your securities. This section highlights certain of these risks.*

***The rate of principal payments on the underlying mortgage loans will affect the rate of principal payments on your securities.*** The rate at which you will receive principal payments will depend largely on the rate of principal payments, including prepayments, on the mortgage loans underlying the related trust assets. We expect the rate of principal payments on the underlying mortgage loans to vary. Borrowers generally may prepay their mortgage loans at any time without penalty.

***Rates of principal payments can reduce your yield.*** The yield on your securities probably will be lower than you expect if:

- you bought your securities at a premium (interest only securities, for example) and principal payments are faster than you expected, or
- you bought your securities at a discount and principal payments are slower than you expected.

In addition, if your securities are interest only securities or securities purchased at a significant premium, you could lose money on your investment if prepayments occur at a rapid rate.

***The level of LIBOR will affect the yields on floating rate and inverse floating rate securities.*** If LIBOR performs differently from what you expect, the yield on your securities may be lower than you expect. Lower levels of LIBOR will generally reduce the yield on floating rate securities; higher levels of LIBOR will generally reduce the yield on inverse floating rate securities. You should bear in mind that the timing of changes in the level of LIBOR may affect your yield: generally, the earlier a change, the greater the effect on your yield. It's doubtful that LIBOR will remain constant.

***An investment in the securities is subject to significant reinvestment risk.*** The rate of principal payments on your securities is uncertain. You may be unable to reinvest the payments on your securities at the same returns provided by the securities. Lower prevailing interest rates may result in an unexpected return of principal. In that interest rate climate, higher yielding reinvestment opportunities may be limited. Conversely, higher prevailing interest rates may result in slower returns of principal and you may not be able to take advantage of higher yielding investment opportunities. The final payment on your security may occur much earlier than the final distribution date.

***The securities may not be a suitable investment for you.*** The securities, in particular, the interest only, accrual and residual classes, are not suitable investments for all investors.

In addition, although the sponsor intends to make a market for the purchase and sale of the securities after their initial issuance, it has no obligation to do so. There is no assurance that a secondary market will develop, that any secondary market will continue, or that the price at which you can sell an investment in any class will enable you to realize a desired yield on that investment.

You will bear the market risks of your investment. The market values of the classes are likely to fluctuate. These fluctuations may be significant and could result in significant losses to you.

The secondary markets for mortgage-related securities have experienced periods of illiquidity and can be expected to do so in the future. Illiquidity can have a severely adverse effect on the prices of classes that are especially sensitive to prepayment or interest rate risk or that have been structured to meet the

investment requirements of limited categories of investors.

The residual securities may experience significant adverse tax timing consequences. Accordingly, you are urged to consult tax advisors and to consider the after-tax effect of ownership of a residual security and the suitability of the residual securities to your investment objectives. See “*Certain Federal Income Tax Consequences*” in this supplement and in the base offering circular.

You are encouraged to consult advisors regarding the financial, legal, tax and other aspects of an investment in the securities. You should not purchase the securities of any class unless you understand and are able to bear the prepayment, yield, liquidity and market risks associated with that class.

***The actual characteristics of the underlying mortgage loans will affect the weighted average lives and yields of your securities.***

The yield and prepayment tables in this supplement are based on assumed characteristics which are likely to be different from the actual characteristics. As a result, the yields on your securities could be lower than you expected, even if the mortgage loans prepay at the constant prepayment rates set forth in the applicable table.

It is highly unlikely that the underlying mortgage loans will prepay at any of the prepayment rates assumed in this supplement, or at any constant prepayment rate.

## **THE TRUST ASSETS**

### **General**

The Sponsor intends to acquire the Trust Assets in privately negotiated transactions prior to the Closing Date and to sell them to the Trust according to the terms of a Trust Agreement between the Sponsor and the Trustee. The Sponsor will make certain representations and warranties with respect to the Trust Assets. All Trust Assets will evidence, directly or indirectly, Ginnie Mae Certificates.

### **The Trust MBS**

The Group 1 Trust Assets are either:

1. Ginnie Mae II MBS Certificates guaranteed by Ginnie Mae, or
2. Ginnie Mae Platinum Certificates backed by Ginnie Mae II MBS Certificates and guaranteed by Ginnie Mae.

Each Mortgage Loan underlying a Ginnie Mae II MBS Certificate bears interest at a Mortgage Rate 0.50% to 1.50% per annum greater than the related Certificate Rate. Ginnie Mae receives a fee (the “Ginnie Mae Certificate Guaranty Fee”) for its guaranty of each Ginnie Mae II MBS Certificate of 0.06% per annum of the outstanding principal balance of each related Mortgage Loan. The difference between (a) the Mortgage Rate and (b) the sum of the Certificate Rate and the Ginnie Mae Certificate Guaranty Fee is used to pay the related servicers of the Mortgage Loans a monthly servicing fee.

The Group 2 Trust Assets are either:

1. Ginnie Mae I MBS Certificates guaranteed by Ginnie Mae, or
2. Ginnie Mae Platinum Certificates backed by Ginnie Mae I MBS Certificates and guaranteed by Ginnie Mae.



Each Mortgage Loan underlying a Ginnie Mae I MBS Certificate bears interest at a Mortgage Rate 0.50% per annum greater than the related Certificate Rate. The difference between the Mortgage Rate and the Certificate Rate is used to pay the related servicers of the Mortgage Loans a monthly servicing fee and Ginnie Mae a fee for its guaranty of the Ginnie Mae I MBS Certificate of 0.44% per annum and 0.06% per annum, respectively, of the outstanding principal balance of the Mortgage Loan.

### **The Mortgage Loans**

The Mortgage Loans underlying the Trust Assets are expected to have, on a weighted average basis, the characteristics set forth in the Terms Sheet under “Assumed Characteristics of the Mortgage Loans Underlying the Trust Assets” and the general characteristics described in the Base Offering Circular. The Mortgage Loans will consist of first lien, single-family, fixed rate, residential mortgage loans that are insured or guaranteed by the Federal Housing Administration, the United States Department of Veterans Affairs, the Rural Housing Service or the United States Department of Housing and Urban Development (“HUD”). See *“The Ginnie Mae Certificates — General” in the Base Offering Circular*.

Specific information regarding the characteristics of the Mortgage Loans is not available. For purposes of this Supplement, certain assumptions have been made regarding the remaining terms to maturity, loan ages and, in the case of the Group 1 Trust Assets, Mortgage Rates of the Mortgage Loans. However, the actual remaining terms to maturity, loan ages and, in the case of the Group 1 Trust Assets, Mortgage Rates of many of the Mortgage Loans will differ from the characteristics assumed, perhaps significantly. This will be the case even if the weighted average characteristics of the Mortgage Loans are the same as the assumed characteristics. Small differences in the characteristics of the Mortgage Loans can have a significant effect on the weighted average lives and yields of the Securities. See *“Risk Factors” and “Yield, Maturity and Prepayment Considerations” in this Supplement*.

### **The Trustee Fee**

On each Distribution Date, the Trustee will retain a fixed percentage of all principal and interest distributions received on the Trust Assets in payment of its fee (the “Trustee Fee”).

## **GINNIE MAE GUARANTY**

The Government National Mortgage Association (“Ginnie Mae”), a wholly-owned corporate instrumentality of the United States of America within HUD, guarantees the timely payment of principal and interest on the Securities (the “Ginnie Mae Guaranty”). The General Counsel of HUD has provided an opinion to the effect that Ginnie Mae has the authority to guarantee multiclass securities and that Ginnie Mae guaranties will constitute general obligations of the United States, for which the full faith and credit of the United States is pledged. See *“Ginnie Mae Guaranty” in the Base Offering Circular*.

## **DESCRIPTION OF THE SECURITIES**

### **General**

The description of the Securities contained in this Supplement is not complete and is subject to, and is qualified in its entirety by reference to, all of the provisions of the Trust Agreement. See *“Description of the Securities” in the Base Offering Circular*.

### **Form of Securities**

Each Class of Securities (other than the Residual Securities) initially will be issued and maintained in Book-Entry Form and may be transferred only on the book-entry system of the

MBS Division of The Depository Trust Company (together with any successor, the “Book-Entry Depository”). Ginnie Mae has proposed a conversion from this book-entry system to the book-entry system maintained by the U.S. Federal Reserve Banks. It is anticipated that this conversion will be completed during the second quarter of the calendar year 2002, although there can be no assurance that the conversion will occur as scheduled. See Ginnie Mae’s website at [www.ginniemae.gov](http://www.ginniemae.gov) for more information related to the proposed conversion. Under either book-entry system, Beneficial Owners of Securities in Book-Entry Form will ordinarily hold these Securities through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations. By request accompanied by the payment of a transfer fee of \$25,000 per physical certificate to be issued, a Beneficial Owner may receive a Regular Security in certificated form.

The Residual Securities will not be issued in Book-Entry Form but will be issued in fully registered, certificated form and may be transferred or exchanged, subject to the transfer restrictions applicable to Residual Securities set forth in the Trust Agreement, at the Corporate Trust Office of the Trustee. See “Description of the Securities — Forms of Securities; Book-Entry Procedures” in the Base Offering Circular.

Each Class (other than the Increased Minimum Denomination Classes) will be issued in minimum dollar denominations of initial principal balance of \$1,000 and integral multiples of \$1 in excess of \$1,000. The Increased Minimum Denomination Classes will be issued in the following minimum denominations:

<u>Class</u>	<u>Minimum Denomination</u>
AI .....	\$ 655,000*
IO .....	\$ 376,000*
SB .....	\$ 1,952,000*
ST .....	\$26,667,000*

\* Notional Balance

See Schedule I to this Supplement for the increased minimum denominations of the MX Classes.

**Distributions**

Distributions on each Class of Securities will be made on each Distribution Date for that Class, as specified under “Terms Sheet — Distribution Dates” in this Supplement. On each Distribution Date, the Trustee will distribute the Distribution Amount to Holders of record as of the close of business on the last Business Day of the calendar month immediately preceding the month in which the Distribution Date occurs (each, a “Record Date”). For Book-Entry Securities, the Trustee will distribute principal and interest to the Book-Entry Depository, and Beneficial Owners will receive distributions through credits to accounts maintained for their benefit on the books and records of appropriate financial intermediaries. See “Description of the Securities — Distributions” and “— Method of Distributions” in the Base Offering Circular.

**Interest Distributions**

On each Distribution Date, the Interest Distribution Amount will be distributed to the Holders of all Classes of Securities entitled to distributions of interest.

- Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

- Interest distributable on any Class on any Distribution Date will consist of 30 days' interest on its Class Principal Balance (or Class Notional Balance) as of the related Record Date.
- Investors can calculate the amount of interest to be distributed on each Class of Securities on any Distribution Date by using the Class Factors published in the preceding month. See “— Class Factors” below.

### *Categories of Classes*

For purposes of interest distributions, the Classes will be categorized as shown under “Interest Type” on the inside cover page of this Supplement and on Schedule I to this Supplement. The abbreviations used on the inside cover page and on Schedule I to this Supplement are explained under “Class Types” in Appendix I to the Base Offering Circular.

### *Accrual Periods*

The Accrual Period for each Class is set forth in the table below:

<u>Classes</u>	<u>Accrual Period</u>
Fixed Rate Classes	The calendar month preceding the related Distribution Date
Floating Rate and Inverse Floating Rate Classes	From the 16 <sup>th</sup> day of the month preceding the month of the related Distribution Date through the 15 <sup>th</sup> day of the month of that Distribution Date

### *Fixed Rate Classes*

Each Fixed Rate Class will bear interest at the per annum Interest Rate shown on the inside cover page of this Supplement or on Schedule I to this Supplement.

### *Accrual Class*

Class Z is an Accrual Class. Interest will accrue on the Accrual Class and be distributed as described under “Terms Sheet — Accrual Class” in this Supplement.

### *Floating Rate and Inverse Floating Rate Classes*

The Floating Rate and Inverse Floating Rate Classes will bear interest as shown under “Terms Sheet — Interest Rates” in this Supplement. The Interest Rates for the Floating Rate and Inverse Floating Rate Classes will be based on LIBOR. LIBOR will be determined based on the BBA LIBOR method, as described under “Description of the Securities — Interest Rate Indices — Determination of LIBOR — BBA LIBOR” in the Base Offering Circular.

*For information regarding the manner in which the Trustee determines LIBOR and calculates the Interest Rates for the Floating Rate and Inverse Floating Rate Classes, see “Description of the Securities — Interest Rate Indices — Determination of LIBOR” in the Base Offering Circular.*

The Trustee’s determination of LIBOR and its calculation of the Interest Rates will be final, except in the case of clear error. Investors can obtain LIBOR levels and Interest Rates for the current and preceding Accrual Periods from gREX or by calling the Information Agent at (800) 234-GNMA.

## **Principal Distributions**

The Adjusted Principal Distribution Amounts for each Security Group and the Accrual Amount will be distributed to the Holders entitled thereto as described above under “Terms Sheet — Allocation of Principal.” Investors can calculate the amount of principal to be distributed with respect to any Distribution Date by using the Class Factors published in the preceding and current months. See “— Class Factors” below.

### *Categories of Classes*

For purposes of principal distributions, the Classes will be categorized as shown under “Principal Type” on the inside cover page of this Supplement and on Schedule I to this Supplement. The abbreviations used on the inside cover page, in the Terms Sheet and on Schedule I to this Supplement are explained under “Class Types” in Appendix I to the Base Offering Circular.

### *Notional Classes*

The Notional Classes will not receive principal distributions. For convenience in describing interest distributions, the Notional Classes will have the original Class Notional Balances shown on the inside cover page and on Schedule I to this Supplement. The Class Notional Balances will reduce as shown under “Terms Sheet — Notional Classes” in this Supplement.

## **Residual Securities**

The Class RR Securities will represent the beneficial ownership of the Residual Interest in the Issuing REMIC and the beneficial ownership of the Residual Interest in the Pooling REMIC, as described under “Certain Federal Income Tax Consequences” in the Base Offering Circular. The Class RR Securities have no Class Principal Balance and do not accrue interest. The Class RR Securities will be entitled to receive the proceeds of the disposition of any assets remaining in the Trust REMICs after the Class Principal Balance of each Class of Regular Securities has been reduced to zero. However, any remaining proceeds are not likely to be significant. The Residual Securities may not be transferred to a Plan Investor, a Non-U.S. Person or a Disqualified Organization.

## **Class Factors**

The Trustee will calculate and make available for each Class of Securities, no later than the day preceding the applicable Distribution Date, the factor (carried out to eight decimal places) that when multiplied by the Original Class Principal Balance (or original Class Notional Balance) of that Class, determines the Class Principal Balance (or Class Notional Balance) after giving effect to the distribution of principal to be made on the Securities (and any addition to the Class Principal Balance of the Accrual Class) on that Distribution Date (each, a “Class Factor”).

- The Class Factor for each Class for the month of issuance is 1.00000000.
- The Class Factor for any Class of Securities for any month following the issuance of the Securities will reflect its remaining Class Principal Balance (or Class Notional Balance) after giving effect to any principal distribution (or addition to principal) to be made on the Distribution Date occurring in that month.
- The Class Factors for the MX Classes and the Classes of REMIC Securities that are exchangeable for the MX Classes will be calculated assuming that the maximum

possible amount of each Class is outstanding at all times, regardless of any exchanges that may occur.

- Based on the Class Factors published each month (and Interest Rates), investors in any Class (other than the Accrual Class) can calculate the amount of principal and interest to be distributed to that Class, and investors in the Accrual Class can calculate the total amount of principal and interest to be distributed to (or interest to be added to the Class Principal Balance of) that Class.
- Investors may obtain current Class Factors on gREX.

See “Description of the Securities — Distributions” in the Base Offering Circular.

### **Termination**

The Trustee, at its option, may purchase or cause the sale of the Trust Assets and thereby terminate the Trust on any Distribution Date on which the aggregate of the Class Principal Balances of the Securities is less than 1% of the aggregate Original Class Principal Balances of the Securities. The Trustee will terminate the Trust and retire the Securities on any Distribution Date upon the Trustee’s determination that the REMIC status of either Trust REMIC has been lost or that a substantial risk exists that this status will be lost for the then current taxable year.

Upon any termination of the Trust, the Holder of any outstanding Security will be entitled to receive that Holder’s allocable share of the Class Principal Balance of that Class plus any accrued and unpaid interest thereon at the applicable Interest Rate, and any Holder of any Notional Class will be entitled to receive that Holder’s allocable share of any accrued and unpaid interest thereon at the applicable Interest Rate. The Residual Holders will be entitled to their pro rata share of any assets remaining in the Trust REMICs after payment in full of the amounts described in the foregoing sentence. However, any remaining assets are not likely to be significant.

### **Modification and Exchange**

All or a portion of the Classes of REMIC Securities specified on the inside cover page may be exchanged for a proportionate interest in the related MX Class or Classes shown on Schedule I to this Supplement. Similarly, all or a portion of the related MX Class or Classes may be exchanged for proportionate interests in the related Classes of REMIC Securities. This process may occur repeatedly.

Each exchange may be effected only in proportions that result in the principal and interest entitlements of the Securities received being equal to the entitlements of the Securities surrendered.

A Beneficial Owner proposing to effect an exchange must notify the Trustee through the Beneficial Owner’s Book Entry Depository participant. This notice must be received by the Trustee not later than two Business Days before the proposed exchange date. The exchange date can be any Business Day other than the last Business Day of the month. The notice must contain the outstanding principal balance of the Securities to be included in the exchange and the proposed exchange date. The notice is required to be delivered to the Trustee in writing at its Corporate Trust Office, State Street Bank and Trust Company, Global Investor Service Group, Corporate Trust, 2 Avenue de Lafayette, Boston, Massachusetts 02111. The Trustee may be contacted by telephone at (617) 662-1337 and by fax at (617) 662-1435.

A fee will be payable to the Trustee in connection with each exchange equal to 1/32 of 1% of the outstanding principal balance (or notional balance) of the Securities surrendered for

exchange (but not less than \$2,000 or more than \$25,000); provided, however that no fee will be payable in respect of an interest only security, unless all securities involved in the exchange are interest only securities. If the notional balance of the interest only securities surrendered exceeds that of the interest only securities received, the fee will be based on the latter. The fee must be paid not later than two business days prior to the exchange.

The first distribution on a REMIC Security or an MX Security received in an exchange will be made on the Distribution Date in the month following the month of the exchange. The distribution will be made to the Holder of record as of the Record Date in the month of exchange.

*See “Description of the Securities — Modification and Exchange” in the Base Offering Circular.*

## **YIELD, MATURITY AND PREPAYMENT CONSIDERATIONS**

### **General**

The prepayment experience of the Mortgage Loans underlying the Trust Assets will affect the Weighted Average Lives of and the yields realized by investors in the related Class or Classes of Securities.

- The Mortgage Loans do not contain “due-on-sale” provisions, and any Mortgage Loan may be prepaid in full or in part at any time without penalty.
- The rate of payments (including prepayments and payments in respect of liquidations) on the Mortgage Loans is dependent on a variety of economic, geographic, social and other factors, including prevailing market interest rates and general economic factors.

The rate of prepayments with respect to single-family mortgage loans has fluctuated significantly in recent years. Although there is no assurance that prepayment patterns for the Mortgage Loans will conform to patterns for more traditional types of conventional fixed-rate mortgage loans, generally:

- if mortgage interest rates fall materially below the Mortgage Rates on any of the Mortgage Loans (giving consideration to the cost of refinancing), the rate of prepayment of those Mortgage Loans would be expected to increase; and
- if mortgage interest rates rise materially above the Mortgage Rates on any of the Mortgage Loans, the rate of prepayment of those Mortgage Loans would be expected to decrease.

In addition, following any Mortgage Loan default and the subsequent liquidation of the underlying Mortgaged Property, the principal balance of the Mortgage Loan will be distributed through a combination of liquidation proceeds, Ginnie Mae Issuer advances and, to the extent necessary, proceeds of Ginnie Mae’s guaranty of the Ginnie Mae Certificates. As a result, a high level of defaults experienced on the Mortgage Loans will accelerate the distribution of principal of the Securities.

Under certain circumstances, the Trustee has the option to purchase the Trust’s assets, thereby effecting early retirement of the Securities. *See “Description of the Securities — Termination” in this Supplement.*

## **Assumability**

Each Mortgage Loan is subject to assumption upon the sale of the related Mortgaged Property. See *“Yield, Maturity and Prepayment Considerations — Assumability of Government Loans”* in the Base Offering Circular.

## **Final Distribution Date**

The Final Distribution Date for each Class, which is set forth on the inside cover page of this Supplement or on Schedule I to this Supplement, is the latest date on which the related Class Principal Balance or Class Notional Balance will be reduced to zero.

- The actual retirement of any Class may occur earlier than its Final Distribution Date.
- According to the terms of the Ginnie Mae Guaranty, Ginnie Mae will guarantee payment in full of the Class Principal Balance of each Class of Securities no later than its Final Distribution Date.

## **Modeling Assumptions**

Unless otherwise indicated, the tables that follow have been prepared on the basis of the following assumptions (the “Modeling Assumptions”), among others:

1. The Mortgage Loans underlying the Trust Assets have the assumed characteristics shown under “Assumed Characteristics of the Mortgage Loans Underlying the Trust Assets” in the Terms Sheet, except in the case of information set forth under the 0% PSA Prepayment Assumption Rate, for which each Mortgage Loan underlying the Trust Assets is assumed to have an original and a remaining term to maturity of 360 months and, in the case of Security Group 1, a Mortgage Rate of 1.5% per annum higher than the related Certificate Rate.

2. The Mortgage Loans prepay at the constant percentages of PSA (described below) shown in the related table.

3. Distributions on the Group 1 Securities are always received on the 20th day of the month, whether or not a Business Day, commencing in December 2001. Distributions on the Group 2 Securities are always received on the 16th day of the month, whether or not a Business Day, commencing in December 2001.

4. A termination of the Trust does not occur.

5. The Closing Date for the Securities is November 30, 2001.

6. No expenses or fees are paid by the Trust.

7. Each Class is held from the Closing Date and is not exchanged in whole or in part.

When reading the tables and the related text, investors should bear in mind that the Modeling Assumptions, like any other stated assumptions, are unlikely to be entirely consistent with actual experience.

- For example, most of the Mortgage Loans will not have the characteristics assumed, many Distribution Dates will occur on a Business Day after the 16th or 20th day of the month, as applicable, and the Trustee may cause a termination of the Trust as described under “Description of the Securities — Termination” in this Supplement.
- In addition, distributions on the Securities are based on Certificate Factors and Calculated Certificate Factors, if applicable, which may not reflect actual receipts on the Trust Assets.

See *“Description of the Securities — Distributions”* in the Base Offering Circular.

## Decrement Tables

Prepayments of mortgage loans are commonly measured by a prepayment standard or model. The model used in this Supplement (“PSA”) is the standard prepayment assumption model of The Bond Market Association. PSA represents an assumed rate of prepayment each month relative to the then outstanding principal balance of the Mortgage Loans to which the model is applied. See *“Yield, Maturity and Prepayment Considerations — Standard Prepayment Assumption Models”* in the Base Offering Circular.

The decrement tables set forth below are based on the assumption that the Mortgage Loans prepay at the indicated percentages of PSA (the “PSA Prepayment Assumption Rates”). As used in the table, each of the PSA Prepayment Assumption Rates reflects a percentage of the 100% PSA assumed prepayment rate. **The Mortgage Loans will not prepay at any of the PSA Prepayment Assumption Rates and the timing of changes in the rate of prepayments actually experienced on the Mortgage Loans will not follow the pattern described for the PSA assumption.**

The decrement tables set forth below illustrate the percentage of the Original Class Principal Balance (or, in the case of a Notional Class, the original Class Notional Balance) that would remain outstanding following the distribution made each specified month for each Regular or MX Class, based on the assumption that the related Mortgage Loans prepay at the specified PSA Prepayment Assumption Rates. The percentages set forth in the following decrement tables have been rounded to the nearest whole percentage (including rounding down to zero).

The decrement tables also indicate the Weighted Average Life of each Class under each PSA Prepayment Assumption Rate. The Weighted Average Life of each Class is calculated by:

- (a) multiplying the net reduction, if any, of the Class Principal Balance (or the net reduction of the Class Notional Balance, in the case of any Notional Class) from one Distribution Date to the next Distribution Date by the number of years from the date of issuance thereof to the related Distribution Date,
- (b) summing the results, and
- (c) dividing the sum by the aggregate amount of the assumed net reductions in principal balance or notional amount, as applicable, referred to in clause (a).

The information shown for each Notional Class is for illustrative purposes only, as Notional Classes are not entitled to distributions of principal and have no weighted average lives. The weighted average life shown for each Notional Class has been calculated on the assumption that a reduction in the Class Notional Balance thereof is a distribution of principal.

**The Weighted Average Lives are likely to vary, perhaps significantly, from those set forth in the tables below due to the differences between the actual characteristics of the Mortgage Loans underlying the related Trust Assets and the Modeling Assumptions.**



## Percentages of Original Class Principal Balances and Weighted Average Lives

Security Group 1 PSA Prepayment Assumption Rates																				
Distribution Date	Classes A, AB, AC, AD, AE and AI					Class B					Class BA					Class BC				
	0%	125%	264%	400%	550%	0%	125%	264%	400%	550%	0%	125%	264%	400%	550%	0%	125%	264%	400%	550%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 2002	98	95	92	89	86	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 2003	96	87	78	69	60	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 2004	94	77	61	47	33	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 2005	92	68	47	30	14	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 2006	90	59	34	16	2	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 2007	87	51	24	6	0	100	100	100	100	0	100	100	100	100	0	100	100	100	100	0
November 2008	85	44	15	0	0	100	100	100	100	0	100	100	100	0	0	100	100	100	0	0
November 2009	82	36	7	0	0	100	100	100	0	0	100	100	100	0	0	100	100	100	0	0
November 2010	79	29	0	0	0	100	100	100	0	0	100	100	100	0	0	100	100	100	0	0
November 2011	75	23	0	0	0	100	100	0	0	0	100	100	0	0	0	100	100	0	0	0
November 2012	71	16	0	0	0	100	100	0	0	0	100	100	0	0	0	100	100	0	0	0
November 2013	68	10	0	0	0	100	100	0	0	0	100	100	0	0	0	100	100	0	0	0
November 2014	63	5	0	0	0	100	100	0	0	0	100	100	0	0	0	100	100	0	0	0
November 2015	59	0	0	0	0	100	100	0	0	0	100	0	0	0	0	100	0	0	0	0
November 2016	54	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
November 2017	49	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
November 2018	43	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
November 2019	37	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
November 2020	30	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
November 2021	23	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
November 2022	16	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
November 2023	7	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
November 2024	0	0	0	0	0	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)	14.5	6.5	4.1	3.1	2.5	23.2	14.5	9.6	7.2	5.6	22.9	13.9	9.1	6.7	5.2	22.9	13.9	9.1	6.7	5.2

PSA Prepayment Assumption Rates																				
Distribution Date	Class BD					Class BE					Class BF					Class BG				
	0%	125%	264%	400%	550%	0%	125%	264%	400%	550%	0%	125%	264%	400%	550%	0%	125%	264%	400%	550%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 2002	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 2003	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 2004	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 2005	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 2006	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 2007	100	100	100	100	0	100	100	100	100	0	100	100	100	100	0	100	100	100	100	0
November 2008	100	100	100	0	0	100	100	100	0	0	100	100	100	0	0	100	100	100	0	0
November 2009	100	100	100	0	0	100	100	100	0	0	100	100	100	0	0	100	100	100	0	0
November 2010	100	100	100	0	0	100	100	100	0	0	100	100	100	0	0	100	100	100	0	0
November 2011	100	100	0	0	0	100	100	0	0	0	100	100	0	0	0	100	100	0	0	0
November 2012	100	100	0	0	0	100	100	0	0	0	100	100	0	0	0	100	100	0	0	0
November 2013	100	100	0	0	0	100	100	0	0	0	100	100	0	0	0	100	100	0	0	0
November 2014	100	100	0	0	0	100	100	0	0	0	100	100	0	0	0	100	100	0	0	0
November 2015	100	0	0	0	0	100	0	0	0	0	100	84	0	0	0	100	100	0	0	0
November 2016	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
November 2017	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
November 2018	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
November 2019	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
November 2020	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
November 2021	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
November 2022	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
November 2023	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
November 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (years)	22.9	14.0	9.1	6.8	5.3	22.9	14.0	9.2	6.8	5.3	23.0	14.0	9.2	6.8	5.3	23.0	14.1	9.3	6.9	5.3



PSA Prepayment Assumption Rates																				
Distribution Date	Class BQ					Class BT					Class BU					Class BV				
	0%	125%	264%	400%	550%	0%	125%	264%	400%	550%	0%	125%	264%	400%	550%	0%	125%	264%	400%	550%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 2002	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 2003	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 2004	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 2005	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 2006	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 2007	100	100	100	100	0	100	100	100	100	0	100	100	100	100	0	100	100	100	100	0
November 2008	100	100	100	100	0	100	100	100	100	0	100	100	100	100	0	100	100	100	100	0
November 2009	100	100	100	0	0	100	100	100	0	0	100	100	100	0	0	100	100	100	0	0
November 2010	100	100	100	0	0	100	100	100	0	0	100	100	100	0	0	100	100	100	0	0
November 2011	100	100	0	0	0	100	100	0	0	0	100	100	0	0	0	100	100	0	0	0
November 2012	100	100	0	0	0	100	100	0	0	0	100	100	0	0	0	100	100	0	0	0
November 2013	100	100	0	0	0	100	100	0	0	0	100	100	0	0	0	100	100	0	0	0
November 2014	100	100	0	0	0	100	100	0	0	0	100	100	0	0	0	100	100	0	0	0
November 2015	100	100	0	0	0	100	100	0	0	0	100	100	0	0	0	100	100	0	0	0
November 2016	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
November 2017	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
November 2018	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
November 2019	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
November 2020	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
November 2021	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
November 2022	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
November 2023	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
November 2024	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
November 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
November 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average																				
Life (years)	23.2	14.5	9.6	7.1	5.6	23.3	14.6	9.7	7.2	5.6	23.3	14.6	9.7	7.3	5.6	23.3	14.6	9.8	7.3	5.7

PSA Prepayment Assumption Rates															
Distribution Date	Class BW					Class IO					Class Z				
	0%	125%	264%	400%	550%	0%	125%	264%	400%	550%	0%	125%	264%	400%	550%
Initial Percent	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 2002	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 2003	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 2004	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 2005	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 2006	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
November 2007	100	100	100	100	0	100	100	100	100	0	148	148	148	148	128
November 2008	100	100	100	100	0	100	100	100	51	0	157	157	157	157	84
November 2009	100	100	100	0	0	100	100	100	0	0	168	168	168	133	56
November 2010	100	100	100	0	0	100	100	100	0	0	179	179	179	99	37
November 2011	100	100	0	0	0	100	100	0	0	0	191	191	183	73	24
November 2012	100	100	0	0	0	100	100	0	0	0	204	204	150	54	16
November 2013	100	100	0	0	0	100	100	0	0	0	218	218	123	40	10
November 2014	100	100	0	0	0	100	100	0	0	0	232	232	101	30	7
November 2015	100	100	0	0	0	100	79	0	0	0	248	248	82	22	4
November 2016	100	0	0	0	0	100	0	0	0	0	264	249	67	16	3
November 2017	100	0	0	0	0	100	0	0	0	0	282	221	54	12	2
November 2018	100	0	0	0	0	100	0	0	0	0	301	196	43	9	1
November 2019	100	0	0	0	0	100	0	0	0	0	321	172	35	6	1
November 2020	100	0	0	0	0	100	0	0	0	0	343	150	28	4	0
November 2021	100	0	0	0	0	100	0	0	0	0	366	130	22	3	0
November 2022	100	0	0	0	0	100	0	0	0	0	390	112	17	2	0
November 2023	100	0	0	0	0	100	0	0	0	0	416	95	13	2	0
November 2024	100	0	0	0	0	67	0	0	0	0	444	79	10	1	0
November 2025	0	0	0	0	0	0	0	0	0	0	418	64	7	1	0
November 2026	0	0	0	0	0	0	0	0	0	0	362	51	5	0	0
November 2027	0	0	0	0	0	0	0	0	0	0	301	38	4	0	0
November 2028	0	0	0	0	0	0	0	0	0	0	234	27	2	0	0
November 2029	0	0	0	0	0	0	0	0	0	0	162	16	1	0	0
November 2030	0	0	0	0	0	0	0	0	0	0	84	7	0	0	0
November 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average															
Life (years)	23.3	14.6	9.8	7.3	5.7	23.1	14.3	9.4	7.0	5.5	27.0	20.7	14.5	10.7	8.1

Security Group 2 PSA Prepayment Assumption Rates					
Classes FA, SA, SB and ST					
Distribution Date	0%	300%	564%	850%	1,150%
Initial Percent	100	100	100	100	100
November 2002	99	87	77	66	54
November 2003	98	71	51	33	18
November 2004	97	58	34	16	5
November 2005	96	47	22	8	2
November 2006	95	38	14	4	1
November 2007	94	31	9	2	0
November 2008	92	25	6	1	0
November 2009	91	20	4	0	0
November 2010	89	16	3	0	0
November 2011	88	13	2	0	0
November 2012	86	10	1	0	0
November 2013	84	8	1	0	0
November 2014	82	7	0	0	0
November 2015	79	5	0	0	0
November 2016	77	4	0	0	0
November 2017	74	3	0	0	0
November 2018	71	3	0	0	0
November 2019	68	2	0	0	0
November 2020	64	1	0	0	0
November 2021	60	1	0	0	0
November 2022	56	1	0	0	0
November 2023	52	1	0	0	0
November 2024	47	0	0	0	0
November 2025	42	0	0	0	0
November 2026	36	0	0	0	0
November 2027	30	0	0	0	0
November 2028	23	0	0	0	0
November 2029	16	0	0	0	0
November 2030	8	0	0	0	0
November 2031	0	0	0	0	0
Weighted Average Life (years)	20.5	5.0	2.7	1.8	1.3

## Yield Considerations

An investor seeking to maximize yield should make a decision whether to invest in any Class based on the anticipated yield of that Class resulting from its purchase price, the investor's own projection of Mortgage Loan prepayment rates under a variety of scenarios and, in the case of a Floating Rate or an Interest Only Inverse Floating Rate Class, the investor's own projection of levels of LIBOR under a variety of scenarios. **No representation is made regarding Mortgage Loan prepayment rates, LIBOR levels or the yield of any Class.**

### *Prepayments: Effect on Yields*

The yields to investors will be sensitive in varying degrees to the rate of prepayments on the Mortgage Loans.

- In the case of Regular Securities or MX Securities (especially Interest Only Securities) purchased at a premium, faster than anticipated rates of principal payments could result in actual yields to investors that are lower than the anticipated yields.
- Investors in the Interest Only Classes should also consider the risk that rapid rates of principal payments could result in the failure of investors to recover fully their investments.
- In the case of Regular Securities or MX Securities purchased at a discount, slower than anticipated rates of principal payments could result in actual yields to investors that are lower than the anticipated yields.

See "Risk Factors — Rates of principal payments can reduce your yield" in this Supplement.

Rapid rates of prepayments on the Mortgage Loans are likely to coincide with periods of low prevailing interest rates.

- During periods of low prevailing interest rates, the yields at which an investor may be able to reinvest amounts received as principal payments on the investor's Class of Securities may be lower than the yield on that Class.

Slow rates of prepayments on the Mortgage Loans are likely to coincide with periods of high prevailing interest rates.

- During periods of high prevailing interest rates, the amount of principal payments available to an investor for reinvestment at those high rates may be relatively low.

The Mortgage Loans will not prepay at any constant rate until maturity, nor will all of the Mortgage Loans underlying any Group of Trust Assets prepay at the same rate at any one time. The timing of changes in the rate of prepayments may affect the actual yield to an investor, even if the average rate of principal prepayments is consistent with the investor's expectation. In general, the earlier a prepayment of principal on the Mortgage Loans, the greater the effect on an investor's yield. As a result, the effect on an investor's yield of principal prepayments occurring at a rate higher (or lower) than the rate anticipated by the investor during the period immediately following the Closing Date is not likely to be offset by a later equivalent reduction (or increase) in the rate of principal prepayments.

#### *LIBOR: Effect on Yields of the Floating Rate and Inverse Floating Rate Classes*

Low levels of LIBOR can reduce the yield on the Floating Rate Classes. High levels of LIBOR can significantly reduce the yield on the Inverse Floating Rate Classes.

#### *Payment Delay: Effect on Yields of the Fixed Rate Classes*

The effective yield on any Fixed Rate Class will be less than the yield otherwise produced by its Interest Rate and purchase price because (1) on the first Distribution Date, 30 days' interest will be payable on (or added to the principal amount of) that Class even though interest began to accrue approximately 50 days earlier and (2) on each subsequent Distribution Date, the interest payable will accrue during the related Accrual Period, which will end approximately 20 days earlier.

### **Yield Tables**

The following tables show the pre-tax yields to maturity on a corporate bond equivalent basis of specified Classes at various constant percentages of PSA and, for the Inverse Floating Rate Classes, at various constant levels of LIBOR.

The Mortgage Loans will not prepay at any constant rate until maturity, and it is unlikely that LIBOR will remain constant. Moreover, the Mortgage Loans will have characteristics that differ from those of the Modeling Assumptions. **Therefore, the actual pre-tax yield of any Class may differ from those shown in the applicable table below for that Class even if the Class is purchased at the assumed price shown.**

The yields were calculated by

1. determining the monthly discount rates that, when applied to the applicable assumed streams of cash flows to be paid on the applicable Class, would cause the discounted

present value of the assumed streams of cash flows to equal the assumed purchase price of that Class plus accrued interest, and

2. converting the monthly rates to corporate bond equivalent rates.

These calculations do not take into account variations that may occur in the interest rates at which investors may be able to reinvest funds received by them as distributions on their Securities and consequently do not purport to reflect the return on any investment in any Class when those reinvestment rates are considered.

The information set forth in the following tables was prepared on the basis of the Modeling Assumptions and the assumptions that (1) the Interest Rate applicable to each Inverse Floating Rate Class for each Accrual Period following the first Accrual Period will be based on the indicated level of LIBOR and (2) the purchase price of each Class (expressed as a percentage of its original Class Notional Balance) plus accrued interest is as indicated in the related table. **The assumed purchase price is not necessarily that at which actual sales will occur.**

### SECURITY GROUP 1

#### Sensitivity of Class AI Securities to Prepayments (Pre-Tax Yields to Maturity) Assumed Price 15.28125%\*

PSA Prepayment Assumption Rates				
<u>125%</u>	<u>264%</u>	<u>400%</u>	<u>550%</u>	<u>568%</u>
34.3%	24.0%	13.4%	1.4%	0.0%

#### Sensitivity of Class IO Securities to Prepayments (Pre-Tax Yields to Maturity) Assumed Price 28.0%\*

PSA Prepayment Assumption Rates				
<u>125%</u>	<u>264%</u>	<u>400%</u>	<u>550%</u>	<u>717%</u>
22.9%	19.9%	15.2%	8.6%	0.0%

### SECURITY GROUP 2

#### Sensitivity of Class SA Securities to Prepayments (Pre-Tax Yields to Maturity) Assumed Price 5.5%\*

<u>LIBOR</u>	PSA Prepayment Assumption Rates			
	<u>300%</u>	<u>564%</u>	<u>850%</u>	<u>1,150%</u>
1.354% .....	106.3%	85.5%	60.9%	32.1%
2.354% .....	81.7%	61.6%	37.8%	9.7%
4.854% .....	25.4%	6.6%	(15.9)%	(43.0)%
7.140% and above .....	**	**	**	**

\* The price does not include accrued interest. Accrued interest has been added to the price in calculating the yields set forth in the table.

\*\* Indicates that investors will suffer a loss of virtually all of their investment.

**Sensitivity of Class SB Securities to Prepayments  
(Pre-Tax Yields to Maturity)  
Assumed Price 5.125%\***

<u>LIBOR</u>	<u>PSA Prepayment Assumption Rates</u>			
	<u>300%</u>	<u>564%</u>	<u>850%</u>	<u>1,150%</u>
1.354% .....	113.5%	92.5%	67.7%	38.6%
2.354% .....	86.7%	66.5%	42.5%	14.3%
4.854% .....	25.8%	7.0%	(15.5)%	(42.6)%
7.000% and above .....	**	**	**	**

**Sensitivity of Class ST Securities to Prepayments  
(Pre-Tax Yields to Maturity)  
Assumed Price 0.375%\***

<u>LIBOR</u>	<u>PSA Prepayment Assumption Rates</u>			
	<u>300%</u>	<u>564%</u>	<u>850%</u>	<u>1,150%</u>
7.000% and below .....	19.5%	0.8%	(21.6)%	(48.8)%
7.070% .....	(1.2)%	(19.5)%	(41.8)%	(69.4)%
7.140% and above .....	**	**	**	**

\* The price does not include accrued interest. Accrued interest has been added to the price in calculating the yields set forth in the table.

\*\* Indicates that investors will suffer a loss of virtually all of their investment.

**CERTAIN FEDERAL INCOME TAX CONSEQUENCES**

The following tax discussion, when read in conjunction with the discussion of “Certain Federal Income Tax Consequences” in the Base Offering Circular, describes the material federal income tax considerations for investors in the Securities. However, these two tax discussions do not purport to deal with all federal tax consequences applicable to all categories of investors, some of which may be subject to special rules.

**Investors should consult their own tax advisors in determining the federal, state, local and any other tax consequences to them of the purchase, ownership and disposition of the Securities.**

**REMIC Elections**

In the opinion of Cadwalader, Wickersham & Taft, the Trust will constitute a Double REMIC Series for federal income tax purposes. Separate REMIC elections will be made for the Pooling REMIC and the Issuing REMIC (each, a “Trust REMIC”).

**Regular Securities**

The Regular Securities will be treated as debt instruments issued by the Issuing REMIC for federal income tax purposes. Income on the Regular Securities must be reported under an accrual method of accounting.

The Class AI, IO, SB and ST Securities are “Interest Weighted Securities” as described in “Certain Federal Income Tax Consequences — Tax Treatment of Regular Securities — Interest Weighted Securities and Non-VRDI Securities” in the Base Offering Circular. Although the tax treatment of Interest Weighted Securities is not entirely certain, Holders of the Interest Weighted Securities should expect to accrue all income on these Securities (other than income attributable to market discount or *de minimis* market discount) under the original issue discount (“OID”) rules based on the expected payments on these securities at the prepayment assumptions described below.

The Class Z Securities are Accrual Securities. Holders of Accrual Securities are required to accrue all income from their Securities (other than income attributable to market discount or *de minimis* market discount) under the OID rules based on the expected payments on the Accrual Securities at the prepayment assumption described below.

Based on anticipated prices (including accrued interest), the assumed Mortgage Loan characteristics and the prepayment assumptions described below and, in the case of the Floating Rate Securities, the constant LIBOR value described below, no Class of Regular Securities other than the Classes described in the preceding two paragraphs is expected to be issued with OID.

Prospective investors in the Securities should be aware, however, that the foregoing expectations about OID could change because of differences (1) between anticipated purchase prices and actual purchase prices or (2) between the assumed characteristics of the Trust Assets and the characteristics of the Trust Assets actually delivered to the Trust. The prepayment assumption that should be used in determining the rates of accrual of OID, if any, on the Regular Securities is 264% PSA in the case of the Group 1 Securities and 564% PSA in the case of the Group 2 Securities (as described in “Yield, Maturity and Prepayment Considerations” in this Supplement). In the case of the Floating Rate and Inverse Floating Rate Classes, the value of LIBOR to be used for these determinations is 2.354%. No representation is made, however, about the rate at which prepayments on the Mortgage Loans underlying the Trust Assets actually will occur or the level of LIBOR at any time after the date of this Supplement. See “*Certain Federal Income Tax Consequences*” in the Base Offering Circular.

The Regular Securities generally will be treated as “regular interests” in a REMIC for domestic building and loan associations, “permitted assets” for financial asset securitization investment trusts (“FASITs”), and “real estate assets” for real estate investment trusts (“REITs”) as described in “Certain Federal Income Tax Consequences” in the Base Offering Circular. Similarly, interest on the Regular Securities will be considered “interest on obligations secured by mortgages on real property” for REITs.

### **Residual Securities**

The Class RR Securities will represent the beneficial ownership of the Residual Interest in the Pooling REMIC and the beneficial ownership of the Residual Interest in the Issuing REMIC. The Residual Securities, *i.e.*, the Class RR Securities, generally will be treated as “residual interests” in a REMIC for domestic building and loan associations and as “real estate assets” for REITs, as described in “Certain Federal Income Tax Consequences” in the Base Offering Circular, but will not be treated as debt for federal income tax purposes. Instead, the Holders of the Residual Securities will be required to report, and will be taxed on, their pro rata shares of the taxable income or loss of the Trust REMICs, and these requirements will continue until there are no outstanding regular interests in the respective Trust REMICs. Thus, Residual Holders will have taxable income attributable to the Residual Securities even though they will



not receive principal or interest distributions with respect to the Residual Securities, which could result in a negative after-tax return for the Residual Holders. It is not expected that the Pooling REMIC will have a substantial amount of taxable income or loss in any period. However, even though the Holders of the Class RR Securities are not entitled to any stated principal or interest payments on the Class RR Securities, the Issuing REMIC may have substantial taxable income in certain periods, and offsetting tax losses may not occur until much later periods. Accordingly, a Holder of the Class RR Securities may experience substantial adverse tax timing consequences. Prospective investors are urged to consult their own tax advisors and consider the after-tax effect of ownership of the Residual Securities and the suitability of the Residual Securities to their investment objectives.

Prospective Holders of Residual Securities should be aware that, at issuance, based on the expected prices of the Regular and Residual Securities and the prepayment assumption described above, the residual interest represented by the Residual Securities will be treated as “noneconomic residual interests” as that term is defined in Treasury regulations.

On December 8, 2000, the IRS issued Revenue Procedure 2001-12, effective February 4, 2000 pending finalization of proposed regulations, which expands the safe harbor for transfers of noneconomic residual interests to include transfers to certain taxable domestic corporations with significant gross and net assets, provided that those corporations agree to transfer the residual interests only to other taxable domestic corporations in transactions qualifying for one of the safe harbor provisions. Eligibility for the expanded safe harbor requires, among other things, that the transferor not know of any facts or circumstances that reasonably indicate that the taxes associated with the residual interest will not be paid. The Revenue Procedure provides that transfers to foreign branches of domestic corporations or transfers involving arrangements that subject income from the residual interest to net tax by a foreign country or possession of the United States is not within the safe harbor, and also provides that if the amount of consideration given to the transferee to acquire the residual interest is so low that under any set of reasonable assumptions a reasonable person would conclude that the taxes associated with holding the residual interest will not be paid, then the transferor will be deemed to know that the transferee cannot or will not pay those taxes. See *“Certain Federal Income Tax Consequences — Tax Treatment of Residual Securities — Non-Recognition of Certain Transfers for Federal Income Tax Purposes” in the Base Offering Circular.*

### **Effect of the Economic Growth and Tax Relief Reconciliation Act of 2001**

As a result of the Economic Growth and Tax Relief Reconciliation Act of 2001, limitations imposed by section 68 of the Code on claiming itemized deductions will be phased-out commencing in 2006, which will affect individuals holding either Regular Securities in Single Class REMICs or Residual Securities. In addition, starting in 2001, the backup withholding rate will start declining from 31% until leveling at 28% in 2006. Unless the statute is amended, all provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 will no longer apply for taxable years beginning after December 31, 2010. For information relating to itemized deduction and backup withholding for taxable years beginning on or after January 1, 2011, see *“Certain Federal Income Tax Consequences — Tax Treatment of Regular Securities — Single Class REMICs,” “— Tax Treatment of Residual Securities — Special Considerations for Certain Types of Investors — Individuals and Pass Through Entities,”* and *“— Backup Withholding”* in the Base Offering Circular. Investors are encouraged to consult their own tax advisors with respect to the new legislation.

## **MX Securities**

For a discussion of certain federal income tax consequences applicable to the MX Classes, see “*Certain Federal Income Tax Consequences — Tax Treatment of MX Securities,*” “*— Exchanges of MX Classes and Regular Classes*” and “*— Taxation of Foreign Holders of REMIC Securities and MX Securities*” in the Base Offering Circular.

## **ERISA MATTERS**

Ginnie Mae guarantees distributions of principal and interest with respect to the Securities. The Ginnie Mae Guaranty is supported by the full faith and credit of the United States of America. The Regular and MX Securities will qualify as “guaranteed governmental mortgage pool certificates” within the meaning of a Department of Labor regulation, the effect of which is to provide that mortgage loans underlying a “guaranteed governmental mortgage pool certificate” will not be considered assets of an employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), solely by reason of the Plan’s purchase and holding of that certificate.

**Plan investors should consult with their advisors, however, to determine whether the purchase, holding, or resale of a Security could give rise to a transaction that is prohibited or is not otherwise permissible under either ERISA or the Code.**

*See “ERISA Considerations” in the Base Offering Circular.*

The Residual Securities are not offered to, and may not be transferred to, Plans.

## **LEGAL INVESTMENT CONSIDERATIONS**

Institutions whose investment activities are subject to legal investment laws and regulations or to review by certain regulatory authorities may be subject to restrictions on investment in the Securities. **No representation is made about the proper characterization of any Class for legal investment or other purposes, or about the permissibility of the purchase by particular investors of any Class under applicable legal investment restrictions.**

**Investors should consult their own legal advisors regarding applicable investment restrictions and the effect of any restrictions on the liquidity of the Securities prior to investing in the Securities.**

*See “Legal Investment Considerations” in the Base Offering Circular.*

## **PLAN OF DISTRIBUTION**

Subject to the terms and conditions of the Sponsor Agreement, the Sponsor has agreed to purchase all of the Securities if any are sold and purchased. The Sponsor proposes to offer each Class to the public from time to time for sale in negotiated transactions at varying prices to be determined at the time of sale, plus accrued interest, if any, from (1) November 1, 2001 on the Fixed Rate Classes and (2) November 16, 2001 on the Floating Rate and Inverse Floating Rate Classes. The Sponsor may effect these transactions by sales to or through certain securities dealers. These dealers may receive compensation in the form of discounts, concessions or commissions from the Sponsor and/or commissions from any purchasers for which they act as agents. Some of the Securities may be sold through dealers in relatively small sales. In the usual case, the commission charged on a relatively small sale of securities will be a higher percentage of the sales price than that charged on a large sale of securities.

### **INCREASE IN SIZE**

Before the Closing Date, Ginnie Mae, the Trustee and the Sponsor may agree to increase the size of this offering. In that event, the Securities will have the same characteristics as described in this Supplement, except that the Original Class Principal Balance (or original Class Notional Balance) of each Class receiving principal distributions from the same Trust Asset Group will increase by the same proportion. The Trust Agreement, the Final Data Statement and the Supplemental Statement, if any, will reflect any increase in the size of the transaction.

### **LEGAL MATTERS**

Certain legal matters will be passed upon for Ginnie Mae by Hunton & Williams; for the Trust by Cadwalader, Wickersham & Taft, Washington, DC, and Marcell Solomon & Associates, P.C., Greenbelt, Maryland; and for the Trustee by Peabody & Arnold LLP, Boston, Massachusetts.

**Schedule I**

**Available Combinations**

REMIC Securities		MX Securities							
Class	Original Principal Balance or Class Notional Balance	Related MX Class	Maximum Original Principal Balance or Class Notional Balance(1)	Principal Type(2)	Interest Rate	Interest Type(2)	CUSIP Number	Final Distribution Date(3)	Increased Minimum Denomination(4)
Security Group 1									
Combination 1									
AE	\$215,055,680	A	\$215,055,680	SEQ	6.50%	FIX	38373RP45	September 2024	N/A
AI	33,085,489								
Combination 2									
AE	\$215,055,680	AB	\$215,055,680	SEQ	5.75%	FIX	38373RP52	September 2024	N/A
AI	8,271,373								
Combination 3									
AE	\$215,055,680	AC	\$215,055,680	SEQ	6.00%	FIX	38373RP60	September 2024	N/A
AI	16,542,745								
Combination 4									
AE	\$215,055,680	AD	\$215,055,680	SEQ	6.25%	FIX	38373RP78	September 2024	N/A
AI	24,814,117								
Security Group 2									
Combination 5									
SB	\$ 50,000,000	SA	\$ 50,000,000	NTL(PT)	(5)	INV/IO	38373RP86	November 2031	\$1,819,000
ST	50,000,000								

(1) The amount shown for each MX Class represents the maximum Original Class Principal Balance or Class Notional Balance of that Class, assuming it were to be issued on the Closing Date.

(2) As defined under “Class Types” in Appendix I to the Base Offering Circular.

(3) See “Yield, Maturity and Prepayment Considerations — Final Distribution Date” in this Supplement.

(4) Each Class will be issued in the denomination specified. If no denomination is indicated for a Class, that Class will be issued in the denomination specified under “Description of the Securities — Form of Securities” in this Supplement.

(5) The Interest Rate will be calculated as described under “Terms Sheet — Interest Rates” in this Supplement.



**\$300,000,000**

**Government National  
Mortgage Association**

**GINNIE MAE<sup>®</sup>**

**Guaranteed REMIC  
Pass-Through Securities  
and MX Securities  
Ginnie Mae REMIC Trust 2001-54**

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***OFFERING CIRCULAR SUPPLEMENT***  
**November 21, 2001**

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BLAYLOCK & PARTNERS, L.P.**